Size of loan	Rate of interest (% per annum)	
	Short-term	Long-term
e) Over Rs.50,000/- and upto Rs. 2 lakhs	15.0	14.0
f) Over Rs. 2 lakhs	18.5	14.0
	(Minimum)	

(c) to (e). Reserve bank of India (RBI) has reported that banks raise their resources mainly by way of deposits on which they have to pay an interest and the cost of the fund to banks, including the cost of the establishment, is already high. In case the rates of interest are reduced the profitability of the banks, which is under great strain will be further adversely affected. In view of this RBI is not in favour of allowing any reduction in the rate of interest.

[English]

Fera Cases Against Multinational Companies.

7113. SHRI GURUDAS KAMAT: Will the Minister of FINANCE be pleased to State:

(a) whether number of cases are pending against several multinational companies under the Foreign Exchange Regulation Act, 1973;

(b) if so, the details thereof alongwith the names of such companies; and

(c) the action taken or proposed to be taken by the Government to expedite the disposal of these case?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI RAMESHWAR THAKUR): (a) to (c). Information is begin collected and will be laid on the table of the House.

Investment by International Finance Corporations in Shipping Industry

7114. SHRI GURUDAS KAMAT: Will the Minister of FINANCE be pleased to state:

(a) whether there is any proposal from international finance corporations to invest in the expansion of Shipping Industry; and

(b) if so, the details thereof.

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI DALBIR SINGH): (a) and (b). No specific proposal has been made by any international finance corporation for investment in the expansion of the Shipping Industry. The Shipping Credit and Investment Company of India Ltd., (SCICI) has, however, reported that the International Finance Corporation, Washington, an affiliate of the World Bank, has contracted a loan of US $ 15 Million and subscription to partly convertible debentures of US $ 1.7 Million for M/s. Varun Shipping Company, a company in the private sector, for financing its expansion programme.